



## GRAIN TRANSPORTATION REPORT

Shipper and Exporter Assistance Program  
Transportation and Marketing  
Agricultural Marketing Service  
United States Department of Agriculture

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December 1, 1997

**UP/SP Report To STB Shows Slight Improvement.** The Union Pacific/Southern Pacific Railroad (UP/SP) pursuant to a directive from the Surface Transportation Board (STB) dated October 31, filed a service report with the STB on Nov. 25 outlining their progress in addressing certain concerns of the STB. The UP/SP reported that a key rail performance indicator showing the number of trains which cannot move due to the lack of train crews, locomotives or a clear route destination has improved. Although 301 trains were delayed for the week, there were 76 fewer trains than reported the previous week, but the number remains above the UP/SP's target of 121 trains or less. Still farmers are worried that millions of bushels of harvested grain will spoil if not moved in a timely manner. The hardest hit financially are producers, grain elevators and farmers. They are absorbing the cost of piling grain on the ground, then picking it up; trucking instead of sending by rail; and the loss of grain to spoilage. The Texas Railroad Commission has repeated a call for the STB to order the UP/SP to speed up attempts to solve rail congestion in UP/SP territory. The Commission said that Texas businesses have incurred \$762 million for additional expenses in reduced production and higher transport costs. It is estimated that \$100 million of this total was lost by Texas agricultural interests. Also, the general manager of a southwest Kansas grain company, said all six of their grain elevators were full and have about 250,000 bushels of milo stored on the ground, some of which has deteriorated in quality because of rain and snow. The STB has scheduled a hearing for Dec. 3 to reevaluate the UP/SP's performance since their last meeting.

**Grain Production Increase Necessary For U.S.** Researchers at the University of Illinois are predicting that the United States will need to dramatically increase grain yields over the next 20 years in order to meet the world's growing population. Professors Gerald Nelson and Laurian Unneveher have recently reported that the world population may increase from the current 5.8 billion to 8 billion by the year 2020, essentially providing an opportunity for United States exporters to capture growing world markets. The researchers point out that U.S. corn and soybean exports could potentially double during that time. It is their concern that American producers will either need to increase soybean yields by 42 percent and corn yields by 16 percent or risk losing the market share to foreign competition. In addition, along with increase in population will come an increase in income. This will lead to an increase in the consumption of higher quality foods such as meats, fats, and oils. It was noted that every additional pound of meat produced will require two to six additional pounds of grain to be produced. (AP)

**Early Closing For The Mississippi.** Facing necessary lock repairs as well as temperatures in the low 30's, barge movements on the upper Mississippi River, near the Twin Cities of Minneapolis and St. Paul, have ended relatively early this year. Besides the imminent cold weather, the December 1 closing was necessary to meet a deadline to start repairing Lock 14, near Davenport, Iowa. Any southbound vessels not clearing this lock by December 1 risked being trapped there until March, and thereby unable to produce revenue operating on the lower Mississippi during the winter. Most of the southbound cargo at this time is grain from the recent harvest. However, according to Mike Strand of the St. Paul Port Authority, many farmers have been holding on to their grain this year, hoping for higher prices. As much as 95 percent of the southbound grain reaches New Orleans where it is loaded for export. (Minneapolis Star Tribune)

**River Situation.** At the Melvin Price Locks and Dam during the previous 24 hours ending midnight Sunday (Nov. 30), 6 tows with 72 barges passed upbound, and 12 tows with 140 barges passed in the downbound direction. On Monday (Dec. 1), at 6:00 a.m., there were no tows waiting to go in either the upbound or downbound direction. In the Columbia River Basin on Friday (Nov. 28), 7 vessels were at berth loading, while 8 waited.

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**SOUTHBOUND BARGE FREIGHT RATES\***

Week Ended November 21

<b>River/Region</b>	<b>Contract Period</b>	<b>Rate**</b>
<b>No trades reported</b>		

\* Based on Actual Trades from the Merchants Exchange of St. Louis Barge Call Session

\*\* Rates are Quoted as a Percentage of the 1976 Tariff Benchmark

**PROJECTED 1997/98 MARKETING YEAR SOYBEAN SUPPLY AND USE***million metric tons*

	<b>U.S.</b>	<b>Major Exporters</b>	<b>World</b>
<b>Beginning Stocks</b>	3.58	6.66	12.75
<b>Production</b>	74.47	46.30	149.17
<b>Domestic Use</b>	44.55	35.81	143.22
<b>Exports</b>	26.67	10.35	38.94
<b>Ending Stocks</b>	6.94	8.95	18.52

Major exporters include Argentina, Brazil, and Paraguay.

One metric ton (2,204.62 pounds) of soybeans equals 36.7 bushels.

Source: World Agricultural Supply and Demand Estimates, USDA, November 10, 1997.

WEEK ENDED	1997	COMPARABLE WEEK 1996
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**INSPECTIONS FOR EXPORT***1,000 Bushels*

Oct 23	90,544 *	95,461
Oct 30	94,616 *	99,634
Nov 6	93,655 *	99,707
Nov 13	96,038 *	116,805
Nov 20	91,030	108,402
Calendar Year to Date	3,326,784 *	3,818,461

\* Revised

**RAIL CARLOADINGS***Carloads*

Oct 25	26,631 *	29,567 *
Nov 1	24,449 *	30,533 *
Nov 8	25,147 *	31,793 *
Nov 15	24,696 *	30,512 *
Nov 22	25,383 *	27,044 *
Calendar Year to Date	1,095,979 *	1,124,288 *

\* Revised - Soo Line Not Included

**RAIL DELIVERIES TO PORT***Carloads*

	North Atlantic	So. Atlantic & Gulf	Pacific Coast	North Atlantic	So. Atlantic & Gulf	Pacific Coast
Oct 22	152	2,692	3,724	0	2,943	4,166
Oct 29	250	2,701	3,907	7	3,236	4,378
Nov 5	84	2,811	4,879	24	3,813	3,828
Nov 12	66	3,253	5,573	46	4,408	6,315
Nov 19	149	2,768	5,814	63	3,911	5,914
CY to Date	2,281	107,966	172,998	2,753	135,351	179,266

\* Revised

**BARGE GRAIN MOVEMENTS***1,000 Tons*

River / Lock Number	Week ending 11/22/97					Week ending 11/23/96				
	CORN	WHT.	SOY	OTHER	TOTAL	CORN	WHT.	SOY	OTHER	TOTAL
Miss./15	640	14	111	0	765	611	2	77	2	691
Miss./25	595	8	147	0	749	520	8	57	0	584
Miss./26	912	15	218	1	1,146	927	11	71	0	1,009
Miss./27	936	24	242	1	1,204	995	14	98	2	1,109
Ill. /8	280	6	65	1	353	334	2	43	0	378
Ohio /52	65	9	57	34	166	52	1	29	62	144
Ark./1	0	4	20	0	24	0	8	19	0	27

**Calendar year totals for Miss./27, Ohio/52 and Ark./1:**

Year	Corn	Wheat	Soybeans	Other Grains	Total
1997	26,392	2,472	8,425	3,005	40,294
1996	30,187	2,227	7,343	3,712	43,469

Other grains include barley, sorghum and oats. Totals may not add due to rounding. Data source: U.S. Army Corps of Engineers.



**MAJOR EXPORT SALES \****1,000 Metric Tons*

WEEK ENDED	1997			COMPARABLE WEEK 1996		
	WHEAT	CORN	SOYBEANS	WHEAT	CORN	SOYBEANS
Oct 23	4,414	7,121	8,897	3,654	14,537	7,613
Oct 30	4,248	7,299	8,105	3,538	14,298	7,545
Nov 6	4,138	7,606	7,331	3,528	14,132	7,748
Nov 13	3,996	7,810	7,099	3,382	13,971	7,468
Nov 20	4,236	7,673	6,632	3,152	13,329	7,242

\*Unshipped Balances-Current &amp; Next Marketing Year

**GULF COAST OCEAN GRAIN VESSELS**

		IN PORT	LOADED 7 DAYS	DUE NEXT 10 DAYS			IN PORT	LOADED 7 DAYS	DUE NEXT 10 DAYS
Oct	30	34	50	67			50	52	82
Nov	6	35	56	75			57	52	71
Nov	13	33	49	70			55	59	70
Nov	20	29	54	73			67	48	57
Nov	27	34	54	89			43	44	66

**AVERAGE GRAIN PRICES***Dollars Per Bushel*

		WHEAT	CORN <sup>1</sup>	SOYBEANS <sup>2</sup>			WHEAT	CORN <sup>1</sup>	SOYBEANS <sup>2</sup>
Oct	24	3.99	2.80	6.85			4.77	2.85	6.95
Oct	31	3.90	2.76	6.80			4.72	2.73	6.87
Nov	7	3.95	2.77	7.17			4.76	2.72	6.89
Nov	14	3.97	2.79	7.34			4.88	2.76	6.95
Nov	21	3.83	2.75	7.16			4.93	2.72	7.11

(Wheat-#1 HRW-ORD., Kansas City; Corn-#2 Yellow, Chicago; Soybeans-#1 Yellow, Chicago)

<sup>1</sup> Bought to arrive 15 days; <sup>2</sup> Bought to arrive 30 days.**OCEAN FREIGHT RATES\****Dollars/Tons - Basis Vessel Size/Ton*

U.S. Loading Port	Destination	Estimated Freight Rates	Dates of Movement
St. Lawrence	Rotterdam	\$07.25 - (60M)	December
Pacific Northwest	Iran	\$17.50 - (60M)	December
Pacific Northwest	Japan	\$12.25 - (54M)	December
Gulf	China	\$20.00 - (50M)	December
Gulf	Japan	\$18.40 - (54M)	December
Gulf	Malaysia	\$25.00 - (30M)	December
Gulf	Indonesia	\$19.25 - (50M)	December
Gulf	Hamburg	\$10.50 - (55M)	December
Gulf	Taiwan	\$17.75 - (54M)	December

\*These ocean fixtures are based on full ship charters.